

# American Staffing Association

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June 7, 2023

Labor Committee  
Michigan House of Representatives  
House Office Building  
Lansing, MI 48933

RE: House Bill 4034 – A bill to regulate temporary labor services agencies, their clients, and temporary laborers

Dear Chairman Haadsma and members of the House Labor Committee,

The American Staffing Association represents the U.S. staffing industry which annually employs almost 16 million temporary employees nationwide, including almost 500,000 employees in Michigan.

Staffing agencies supply temporary employees in every sector of the American economy and in every job category, including industrial labor, office support, health care, engineering, science and information technology, and various professional and managerial positions. Businesses use temporary employees to supplement their regular workforces, fill in for absent employees, manage seasonal workloads, and staff special projects. Employees choose temporary employment for job flexibility, skills training, and a bridge to permanent work. Employment with a staffing agency is generally short-term with an average tenure of about 10 weeks.

Given the positive role of temporary work in the Michigan economy, we have serious concerns with the substantial new administrative and recordkeeping costs HB 4034 would impose on the industry. We are strongly committed to protecting the interests of temporary employees, but any new rules should be narrowly tailored to address actual concerns. We are unaware of any concerns that justify the sweeping provisions of this bill which, if enacted, will deter businesses from using temporary labor and cost jobs.

Among the many new requirements, the following examples illustrate the enormous burden.

- The definition of “temporary labor” is far too broad. The bill exempts “professional” work, but since the primary focus is industrial labor, all “white-collar” jobs should be excluded.
- Notice of wages and other job terms must be provided to each temporary laborer “upon dispatch.” This may not be feasible given the urgency with which many jobs must be filled.
- Staffing agencies must keep voluminous records on every client transaction and temporary laborer and report the information to the state annually. Staffing clients must provide the staffing agency with the same information, even though duplicative.
- Staffing agencies must maintain race and gender data on every temporary laborer, which they do not currently maintain and are exempt from reporting under federal EEO law.

June 7, 2023

ASA Statement on HB 4034

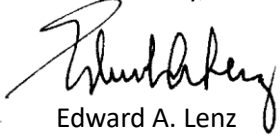
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- Staffing clients must provide temporary laborers with “work verification” forms at the end of every day attesting to the date, work location, and hours worked, duplicating the information provided by the staffing agency.
- Staffing agencies would no longer be able to charge reasonable, cost-based, fees to transport temporary laborers to and from job sites, which will increase the cost of services and decrease employment.

The above are just a few of the provisions of HB 4034 that concern us and that will greatly increase the cost of staffing services to the detriment of Michigan employees and businesses.

We look forward to working with you and the members of the committee as you consider what we believe is a well-intentioned but operationally problematic proposal—and to providing additional, more detailed, commentary as necessary to assist the committee in its deliberations.

Respectfully,



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cc. Representative Kara Hope